

Remain in France Together

Bitesize Guide



Working in France: your pension

The pension regime in France is very different to that in the UK. If you are working in France you need to understand your French pension and also its relationship with any other pensions you may receive from past (or indeed future) employment.

This is just a very brief overview of a huge topic. It is intended to give you a general introduction to the basics. It cannot possibly cover all circumstances and you should undertake further research before making any decisions based on this information.

You should also be aware that the French government is trying to make major reforms to the pension regime to create a universal points-based system. The process was shelved in the face of protests and the Covid19 pandemic and at the time of writing (July 2020) we have no further information about the proposed changes.

Compulsory pension regime

It is compulsory for anyone in work to be enrolled in a pension scheme. The core French scheme is not however directly equivalent to the UK state pension as it is made up of two different parts:

- Basic pension - *régime de base* this is the basic state pension based on how many trimestres (quarters) you have paid into the system.
- Complementary pension - *régime complémentaire*) based on points earned related to the type of job you do and your salary.

Both of these elements are compulsory. You don't get to choose your complementary pension scheme, there are national schemes for different jobs.

Both you and your employer make contributions to the pension scheme and these should be clearly identified on your payslip.

Private pension schemes do exist but are outside the scope of this information leaflet.

Building up a pension

Régime de base

Pension contributions are calculated in quarters or trimestres. You need to earn 150 x the minimum wage (SMIC) to account for a full trimestre of pension.

In 2020 that amounts to 150 x 10.15 so 1,522.50 euros for a trimester or 6,090 euros for the full year. The official list of the cost of buying one trimestre pension for past years can be found [here](#)¹.



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Calculation of your qualifying period seems to be done routinely only once a year so (as far as we can tell) if you have earned at least 600 x SMIC during the year you will get the full four trimestres even if there have been ups and downs within that year. You can't ever earn more than four trimestres in a year.

There is a good public service animation here on [trimestres](#)². How many trimestres you need to retire on a full pension depends on the year you were born:

How many trimestres you need to retire on a full pension depends on the year you were born:

Year of birth	Trimestres needed for full state pension
1953-54	165
1955-57	166
1958-60	167
1961-63	168
1964-66	169
1967-69	170
1970-72	171
1973-	172 (43 years)

You can be credited with trimestres for periods such as unemployment, maternity, accidents at work etc. These credits count towards determining whether or not you have the full complement of trimestres for someone of your age.

Calculating pension

Régime de base

A reminder again that this is a description of the current scheme which is due to change to a universal points-based scheme.

The average of your best 25 years salary whilst paying cotisations in France (capped at a maximum figure of 40,000) is used to calculate your pension. The formula used is:

$$\frac{\text{Average of best 25 years} \times \text{payment rate} \times \text{trimesters accrued}}{\text{Trimesters required for full pension}}$$

Payment rate means the percentage of your average salary used to calculate pension. The maximum is 50%. A reduction is made for every trimestre you are short of the full complement. The minimum is 37.5%.

The basic retirement pension cannot exceed 50% of the social security ceiling (€1,714 per month in 2020). This means that the maximum pension you can get through the basic state system is just over 20k whatever your salary.

Régime complémentaire

For the mandatory occupational pension, your annual salary is converted into a certain number of points so the more points you have the more pension you get. This means that the pension amount is proportional to your earned income over your entire career in France not just the 25 best years as for the basic scheme.

There are a few different schemes and you are assigned to one depending on your occupation. Agirc-Arrco is the common one for private sector workers formed by a recent



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merger of a large general scheme (Arrco) and one specifically for executives (Agirc).

For people on a low wage the state pension will be the main part of their retirement income but for people on higher salaries the occupational element will be greater.

To calculate the amount of your occupational pension, just multiply your number of points by the value of the point, which is determined each year.

Retirement age

The age of retirement in France is generally 62. You have to retire on the first day of a month.

You may be able to retire from age 60 if you have had a 'long career'. You will need to have achieved the required number of salaried trimestres (as opposed to credit for absences from work) including at least five trimestres worked by the end of the calendar year in which you were aged 20.

There are special conditions for early retirement (from age 55) on grounds of [disability](#)³.

If you don't have enough trimestres to retire on a full pension at 62 you can claim your pension which will be paid at a reduced rate with a percentage taken off for each missing trimestre.

Alternatively, you can continue working and paying into the state pension scheme until age 67. You can continue working after age 67 but you won't build up any further trimestres of pension. You will however get a percentage increase on your qualifying period for every trimestre you defer claiming your pension

(whether you are still working or not). Retirement is compulsory at age 70.

See below for more information about retiring if you have worked in more than one country.

Years worked elsewhere in EU

We are often asked if it is possible to transfer your UK state pension rights to France and the answer is 'No'. The EU operates a framework of social security coordination. This is not the same as harmonisation. Each country has its own pension regime, retirement age etc. Years worked elsewhere in the EU will be taken into account in determining whether you are entitled to a pension but they will not (greatly*) affect the amount each country pays you.

*It may have some impact on the amount you are paid. France uses a formula where the payment rate is a minimum of 37.5% of your French average salary and a maximum of 50%. A reduction is made for each trimestre you are lacking to make up the full amount for your age bracket. Thus adding your trimestres from elsewhere into the calculation can increase the % of your French average salary used to derive your payment rate.

If you have worked in more than one EU country, you will claim your pension from the country where you last worked. This means if you are resident in France and have worked here, the French authorities will co-ordinate the arrangements for payment from all of the countries that owe you a pension including the UK.

In most countries you have to work a minimum number of years before you are entitled to a state pension. In the UK it is 10 years. France has a qualifying period of 15 years' worth of contributions in order to receive a state pension. This lack of equivalence has implications for the extent to



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which contributions paid in the UK can positively impact your French pension. For a table of EU countries and whether or not they meet the French equivalence test to see [here](#)⁴.

Years worked in any EU country will be totalled up to see if you meet the minimum e.g. if you had only worked 5 years in the UK before moving to France and working for another 35 years, the years in France will be taken into account to show that you meet the qualifying conditions and the UK will have to pay you pension for the 5 years you worked there. The UK and France will each pay your pension separately at their own rate.

Where you have worked in more than one EU country, there is quite a complicated procedure for looking at how much each country should pay you and comparing this to how much you would get if you had worked your whole EU career in that country. This comparison can help increase your pension amount in certain ways. We are not able to include any further detail here because when we say *'it's complicated'* that's because it's complicated. You can see some worked examples in the further information. Contributions from all countries are not treated equally so only those which France recognises as equivalent to its own system can have a positive impact.

To answer one frequently asked question, and avoid potential disappointment for some, it does NOT mean that your earnings are averaged out across all of your working life. Your French pension is still only based on the salary you earn in France.

Each country has its own legal retirement age and you cannot claim your pension from that country until you reach that age. In practice this means you may retire in France and claim your French state pension at 60 or 62 whilst still having to wait until you are 65 or older to receive your UK state pension. If you have worked in a number of different countries, there may be recalculation of your pension at various stages as new qualifying periods come into play. This would not normally reduce your pension from any country.

Can I continue to pay voluntary NI in the UK?

You may be employed or self-employed in France and still paying voluntary NI contributions in the UK. This is allowed for in EU law Article 14 REGULATION (EC) NO [883/2004](#)⁵

'However, in respect of invalidity, old age and survivors' benefits, the person concerned may join the voluntary or optional continued insurance scheme of a Member State, even if he is compulsorily subject to the legislation of another Member State, provided that he has been subject, at some stage in his career, to the legislation of the first Member State because or as a consequence of an activity as an employed or self-employed person and if such overlapping is explicitly or implicitly allowed under the legislation of the first Member State.'

This will allow you to continue building up years towards your UK state pension (note paying voluntary NI does not offer any other benefits and cannot be used for health cover). These periods are earned in parallel. They are not 'double counted' in the sense that paying voluntary NI for a year when you are also



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working in France will count as a full year towards your UK state pension and your French contributions count towards your French pension but you can't ever accrue more than four trimestres a year towards your French pension.

Further information

This is the EU guide to [State pensions abroad](#)⁶.

There is a useful guide to retirement in France (in English) on the [CLEISS site](#)⁷ (Centre des liaisons européennes et internationales de sécurité sociale).

The CLEISS site also has detailed information (only available in French) about how your pension is calculated if you have [worked in France and elsewhere in the EU](#)⁸.

This leaflet '[Pension information for expats](#)⁹' is written from the perspective of a French person working abroad but gives a good summary of the European regulations and calculation method (in French).

This site belongs to a French bank, so is not an official government source, but gives a very detailed explanation of pension calculations with [worked examples](#) of having worked in France and elsewhere in the EU.

Personalised information

There is a lot of personalised support available to help you estimate your French pension and plan for retirement. Your starting point is to log on to the [official government portal](#)¹⁰; you can create an account or log on using France Connect.

You can see a year by year breakdown of how many trimestres of French pension and how many points for the complémentaire you have already earned.

You can do a simulation and adjust the parameters based on projected retirement date, estimated increases or decreases in salary or periods of unemployment and adding in dates when you have contributed to the state pension scheme in another country.

For people in employment, your local [CICAS](#)¹¹ (centres d'information Agirc-Arcco) offers the opportunity for a telephone or face-to-face interview with an adviser and at least once a year they run special events where you can book a short interview to review your situation (normally advertised in September for sessions in October).

As you get older, you have the right to increase levels of personalised advice and guidance about both elements of your compulsory pension. You should take the opportunity to get the information and plan ahead as you will need to request your pension at least six months before your projected retirement date.



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References

The following links all point to official information sources:

1. Official list of the cost of buying one trimestre pension for past years
<https://www.legislation.cnav.fr/Lists/ArticlesBareme/DispForm.aspx?ID=3479&ContentTypeId=0x01007CF8FA8574A1B64CA3888B8B205B3F58>
2. Public service animation explaining trimestres
<https://www.youtube.com/watch?v=TcjmKnXXsp4>
3. Information about early retirement for disabled people
<https://www.lassuranceretraite.fr/portail-info/sites/pub/hors-menu/annexe/salaries/age-depart-retraite/la-retraite-anticipee-des-assure.html>
4. Table of EU countries and whether or not they meet the French equivalence test
https://www.legislation.cnav.fr/Pages/texte.aspx?Nom=circulaire_cnav_2012_26_14032012#anexe
5. Legal basis for paying voluntary NI contributions in the UK
<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32004R0883&from=EN>
6. EU guide to State Pensions Abroad
https://europa.eu/youreurope/citizens/work/retire-abroad/state-pensions-abroad/index_en.htm
7. Guide to retirement in France (in English)
https://www.cleiss.fr/docs/regimes/regime_france/an_3.html#:~:text=who%20have%20reache d%20a%20minimum,no%20required%20length%20of%20employment.
8. Information about how your pension is calculated if you have worked in France and elsewhere in the EU
https://www.cleiss.fr/particuliers/preparer_votre_retraite883.html?fbclid=IwAR3BS-gBtWA1-xA4rCKp_m2CUEcKZGzOhpSuELSQ1BRyb_u8bZxDzefHTu4#:~:text=le%20revenu%20ou%20salair e%20annuel,apr%C3%A8s%20le%201er%20janvier%201948
9. Pension information for expats from the perspective of a French person working abroad
https://www.lassuranceretraite.fr/portail-info/files/live/sites/pub/files/PDF/Gip_Expats.pdf
10. French state pension portal
<https://www.lassuranceretraite.fr/portail-info/home.html>
11. CICAS (centres d'information Agirc-Arrco) find out more about your supplementary pension
<https://www.cicas.agirc-arrco.fr/mes-outils>



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The information is for general guidance and does not constitute legal advice. It is offered free for personal, non-commercial use.

The main source of information to keep up-to-date with developments in citizens' rights is our website <https://www.remaininfrance.fr/>

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